MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2018/2019

DEC5634 – FUNDAMENTALS OF ENTREPRENEURSHIP

(All sections / Groups)

31 MAY 2019
9.00 a.m – 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 13 pages including the cover page.
2. For SECTION A questions, please answer in the OMR sheet provided.
3. For SECTION B questions, please answer in the Answer Booklet provided.

SECTION A: 40 marks

1. Intan is thinking of starting a business of her own after 3 years of working in a textile company. What is the first thing she needs to prepare if she decides to venture in a food and beverage business?

   A. Financial plan.
   B. Business plan.
   C. Marketing plan.
   D. Operating plan.

2. In doing a business plan, an entrepreneur needs to know what is the first and important element that the stakeholders will read from his/her business plan which is _____.

   A. executive summary
   B. financial summary
   C. skills and abilities
   D. marketing summary

3. Which of the business plan addresses target market, location, pricing and distribution?

   A. Finance strategy.
   B. Capital strategy.
   C. Marketing strategy.
   D. Operational strategy.

4. In pitching your business idea, the basic presentation should cover the following:

   I. Company's products and services.
   II. The problem to be solved.
   III. A description of your solution to the problem.
   IV. Your company's uniqueness.

   A. I and II.
   B. I, II, and III.
   C. I, II, and IV.
   D. I, II, III and IV.

Continued...

5. It is important to hook investors quickly with an up-front explanation of the new venture, its opportunities, and the anticipated benefits to them.
This statement related to which of the following?

A. Tips for making the financial statement.
B. Tips for making marketing strategy.
C. Tips for making the pitch.
D. Tips for making operational strategy.

6. The following are the purpose of strategic planning tools **EXCEPT** _____.

A. it is crucial to building a successful business
B. it involves developing a game plan to guide the company to fail
C. it can help a business to accomplish its vision and mission
D. it helps a business to be able to adapt changes in the marketplace

7. Identify the basic concept in assessing an idea from the following:

I. process of examining needs in the market.
II. developing a solution for that need.
III. determining the ability to success from the business idea
IV. process of collecting money.

A. I and II.
B. I and III.
C. I, II, and III.
D. I, II, III, and IV.

8. Hasfaizal's idea of business is to solve cigarettes addiction among people in his area. What is the next process that he needs to do in completing his new business planning process?

A. Conducting an idea assessment.
B. Conducting a feasibility analysis.
C. Developing a business model.
D. Crafting a business plan.

Continued...

9. Marlina is assessing the industry and market under the six macro forces which involve race, income level and gender. This is referring to _____.

   A. sociocultural
   B. technological
   C. economic
   D. demographic

10. Political and legal are the macro forces to look into to assess the industry. Examples of these force are _____.

   A. physical fitness and health
   B. monetary and fiscal policies
   C. technology advancement
   D. income level

11. A business manager needs to estimate the level of competition and attractiveness within their company's industry. What analysis that can be used to analyse this competition?

   A. Porter's Five Forces Model.
   B. Maslow's Hierarchy Model.
   C. Five Forces Matrix.
   D. Balance Scorecard.

12. In identifying threat of new entrants, which of the following needs to be considered?

   I. Capital requirements to enter are low.
   II. Buyers are not loyal to existing brands.
   III. Number of buyers is large.
   IV. Customers' switching costs are high.

   A. I only.
   B. I and II.
   C. I, II, and III.
   D. I, II, III, and IV.

Continued...

13. Husaini is wondering about his customers' willingness to purchase his product/service. The statement is important because _____.

A. it is under entrepreneur/team feasibility analysis
B. it is under financial feasibility analysis
C. it is under macro feasibility analysis
D. it is under product/service feasibility analysis

14. How attractive does the industry to new entrants in relation to threat of substitutes?

A. Buyers are not loyal to existing brands.
B. Government does not restrict the entrance of new companies.
C. Quality substitutes are not readily available.
D. Capital requirements to enter are low.

15. Business prototyping is to test early versions of a product/service and it can be tested by using a _____.

A. minimal viable product
B. business model
C. lean start-up
D. test the value proposition

16. In choosing forms of ownership, there are certain factors that need to be considered and some of them are as follows **EXCEPT** _____.

A. tax considerations
B. profit considerations
C. liability exposure
D. start-up and future capital requirements

17. Thom owns a business which does not have any special legal restrictions and at the same time has total decision authority. This statement implies _____.

A. sole proprietorship
B. partnership
C. corporations
D. limited liability partnership

Continued...

18. The following are the disadvantages of partnership **EXCEPT** _____.

A. capital accumulation
B. partners bound by law of agency
C. unlimited liability
D. larger pool of capital

19. Which of the following are the differences between limited liability partnership (LLP) and partnership?

I. Capital contribution.
II. Responsibility for management and business.
III. Number of shareholders.
IV. Personal liability

A. I only.
B. I and II.
C. II and III.
D. III and IV.

20. A separate legal entity from its owner is referring to _____.

A. sole proprietorship
B. partnership
C. corporations
D. limited liability partnership

21. The main essence of franchisees purchase from the franchisors is the _____.

A. profit
B. experience
C. business model
D. financing

Continued...

22. A _____ is the person who purchases a franchise agreement whereas a _____ is the person or company that offers a franchise for purchase.

A. franchisee; franchisor
B. franchisor; franchisee
C. debtor; creditor
D. buyer; seller

23. Dila is selling her automobile parts under the name of Toyota and practically she is practicing _____.

A. trade-name franchising
B. product distribution franchising
C. pure format franchising
D. product and pure format franchising

24. Tahir is receiving great support from his franchisor in improving his employees' skills in completing the works given. Which benefit of franchising that Tahir receives from his franchisor?

A. Brand name appeal.
B. Standardised quality of goods and services.
C. Management training and support.
D. Advertising programs.

25. The following are the drawbacks of franchising **EXCEPT** _____.

A. restriction on purchasing
B. limited product line
C. contract terms and renewal
D. financial assistance

Continued...

26. Mr. Teo started a franchise company selling burgers. Before he ventures into the business, he has done some analysis on the right ways on how to buy a franchise. His analysis includes:

I. evaluate himself of what he likes and dislikes.
II. research the market.
III. consider his franchise options.
IV. did not talk to existing franchisees.

A. I and II.
B. II and III.
C. I, II, and III.
D. I, II, III, and IV.

27. How to create a solid business plan?

A. Need to contain financial plan.
B. Need to contain manager position.
C. Need to contain marketing plan.
D. Need to contain both financial plan and marketing plan.

28. Determining customer needs and wants through market research is the objective of _____.

A. financial plan
B. bootstrap marketing plan
C. profit
D. increasing revenue

29. Hui San can choose the following for her types of market research:

I. online surveys.
II. social media.
III. newspapers.
IV. magazines.

A. I and II.
B. II and III.
C. I, II, and III.
D. I, II, III, and IV.

Continued...

30. Delicious Bakery is collecting data about its customers' opinions on their buying trend to do analysis on how to increase the bakery's sales. This type of data collection is called _____.

A. data mining
B. secondary research
C. primary research
D. interview

31. It is important to build a competitive edge of a business and one of it is to connect with customers at an emotional level. This strategy relates to _____.

A. data collection
B. unique selling proposition
C. promotion
D. financing

32. Pauline is venturing into online business and she needs to make her website credible. The following factors can help to establish a credible website **EXCEPT** _____.

A. be vigilant for errors of all types
B. no need to update your site regularly
C. make sure customers know their online transactions are secure
D. make sure the website is easy to use

33. Identify the success factors to e-commerce from the following:

I. acquiring customers.
II. optimising conversions.
III. maximising website performance.
IV. ensuring a bad experience by the users.

A. I and II.
B. II and III.
C. I, II, and III.
D. I, II and IV.

Continued...

34. There always going to be myths in doing e-commerce and the following are common myths **EXCEPT** _____.

A. if I launch a site, customers will flock it
B. online customers are easy to please
C. making money on the web is easy
D. I need strategy to sell online

35. How to design a killer website?

A. Do not study your target customer.
B. Do not give your customer their needs and wants.
C. Select long domain name for your website.
D. Offer suggestions for related products.

36. When measuring an online performance, the amount it costs to generate a purchase or a customer registration is called _____.

A. cost per acquisition (CPA)
B. average number of page views per visit
C. bounce rate
D. conversion ratio

37. High End Sdn. Bhd. is applying firewall to its website. Why does the company do that?

A. To ensure cash flow always in control.
B. To ensure the website look interesting.
C. To ensure the website is secure.
D. To ensure the website easy to access.

38. In dealing with rising costs, business can apply the following **EXCEPT** _____.

A. add a surcharge
B. focus on improving efficiency
C. eliminate discounts
D. lower the price consistently

Continued...

39. Identify **THREE** main goals when introducing a new product.

I. Getting the product accepted.
II. Maintaining market share as competition grows.
III. Earning break-even.

A. I only.
B. I and II.
C. II and III.
D. I, II, and III.

40. The pricing technique will affect the following **EXCEPT** _____.

A. government
B. customers
C. cash flow
D. profits

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SECTION B: 60 Marks

QUESTION 1

(a) Porter's Five Forces model analyse with one another to determine the setting in which companies compete and the attractiveness of the industry.
Briefly give **TWO (2)** reasons when will the industry is more attractive from the following forces:

i. rivalry among companies. (2 marks)
ii. new entrants. (2 marks)

(b) Discuss **TWO (2)** types of partnership. (4 marks)

(c) List **THREE (3)** factors that make a franchise interesting. (3 marks)

(d) Briefly explain **THREE (3)** ways on how to build your company's branding and unique selling proposition (USP). (9 marks)

[TOTAL 20 MARKS]

QUESTION 2

(a) Kindly discuss **THREE (3)** factors that need to be considered before launching into e-commerce. (6 marks)

(b) Briefly explain **THREE (3)** reasons why price conveys image to entrepreneur's business? (9 marks)

(c) List **FIVE (5)** pricing strategies that can be used by a company for established goods. (5 marks)

[TOTAL 20 MARKS]

QUESTION 3

(a) Discuss **TWO (2)** *"secrets"* to successful financing. (4 marks)

(b) There are some sources of equity financing that entrepreneurs can try for their business. Briefly explain **THREE (3)** most common sources that can be used by them. (6 marks)

Continued...

(c) There are strategies that can be adopted by entrepreneurs to go global and one of them is to form joint ventures. According to this statement, discuss **TWO (2)** types of joint ventures with examples. (6 marks)

(d) Describe **TWO (2)** barriers to international trade. (4 marks)

[TOTAL 20 MARKS]

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